

CAPITAL IMPROVEMENT PROGRAM

SUMMARY

The county's Capital Improvement Program (CIP) includes construction, rehabilitation, and repair projects for numerous facilities and structures. Solid waste and transportation road projects are administered by the Department of Public Works (DPW). Architecture and Engineering Department (A&E) administers projects for all others, including Airports, Regional Parks, general fund departments, and Economic and Community Development (ECD). Table 1 provides a summary of all new proposed projects for 2004-05.

Table 1

SUMMARY OF 2004-05 RECOMMENDED NEW CIP PROJECTS					
CAPITAL PROJECT FUNDS:					
Architecture and Engineering (A&E)	# of Projects	General Fund Local Cost	Other Discretionary Funding	Non Discretionary Funding	Total
General Fund - Local Cost	28	3,727,900	0	0	3,727,900
Discretionary Funding	4	0	211,800	0	211,800
Non-Discretionary Funding	7	0	0	1,370,346	1,370,346
Total New Projects (Fund CJV)	39	3,727,900	211,800	1,370,346	5,310,046
ADDITIONAL CAPITAL PROJECTS INCLUDED IN OTHER COUNTY FUNDS:					
Airports New Projects (Various Funds)	9	0	722,000	3,690,000	4,412,000
Airports New Projects (CSA 60-Apple Valley)	6	0	170,700	411,300	582,000
Regional Parks New Projects (Various Funds)	14	0	0	9,390,820	9,390,820
Total New Projects - A&E	68	3,727,900	1,104,500	14,862,466	19,694,866
Dept. of Public Works (DPW)					
Transportation (Various Funds)	9	0	0	2,294,000	2,294,000
Solid Waste Management (Various Funds)	53	0	0	27,858,434	27,858,434
Total New Projects - DPW	62	0	0	30,152,434	30,152,434
TOTAL RECOMMENDED NEW CIP PROJECTS	130	3,727,900	1,104,500	45,014,900	49,847,300

Details are provided in Exhibit A – 2004-05 Recommended Capital Improvement Program New Projects by Department and Exhibit B – 2004-05 Recommended Capital Improvement Program New Projects by Location.

Background

On October 6, 2003, county departments were requested to submit CIP requests for the 2004-05 budget. The County Administrative Office (CAO) received 177 requests from 16 departments with an estimated cost of \$198.2 million. Departments submitting more than one CIP request prioritized their requests. CIP requests were also submitted by Architecture and Engineering Department (A&E) and Facilities Management Department (FM) for general projects. While the Board of Supervisors approved additional one-time funding over the past several years to address deferred maintenance in county facilities, the number of projects submitted and the total dollar volume continues to be reflective of years of limited funding for capital improvements.



Short-List Process

The CAO established the following goals in short-listing the CIP projects:

1. Review prior year CIP funding allocations for savings, priorities, and additional funding needs.
2. Identify potential funding sources for 2004-05 CIP budget.
3. Categorize projects to facilitate evaluation.
4. Identify department priorities.
5. Obtain Administrative Analyst and Deputy Administrative Officer review and short-list recommendations.
6. Identify and recommend funding for projects with funding sources outside the general fund.
7. Identify for consideration the most critical need projects with local cost (\$3.5 million is the 2004-05 target)
8. Review short-list with Board of Supervisors for additional input.

Review of Carryover Projects

A summary of the status of previously approved CIP projects still in progress is attached as Exhibit C – 2004—05 Carryover Projects, Exhibit D – 2004-05 Airport Carryover Projects, Exhibit E – 2004-05 Regional Parks Carryover Projects, Exhibit F – 2004-05 Transportation Carryover Projects, and Exhibit G – 2004-05 Solid Waste Management Carryover Projects. Table 2 provides a summary of all Carryover Projects.

Table 2

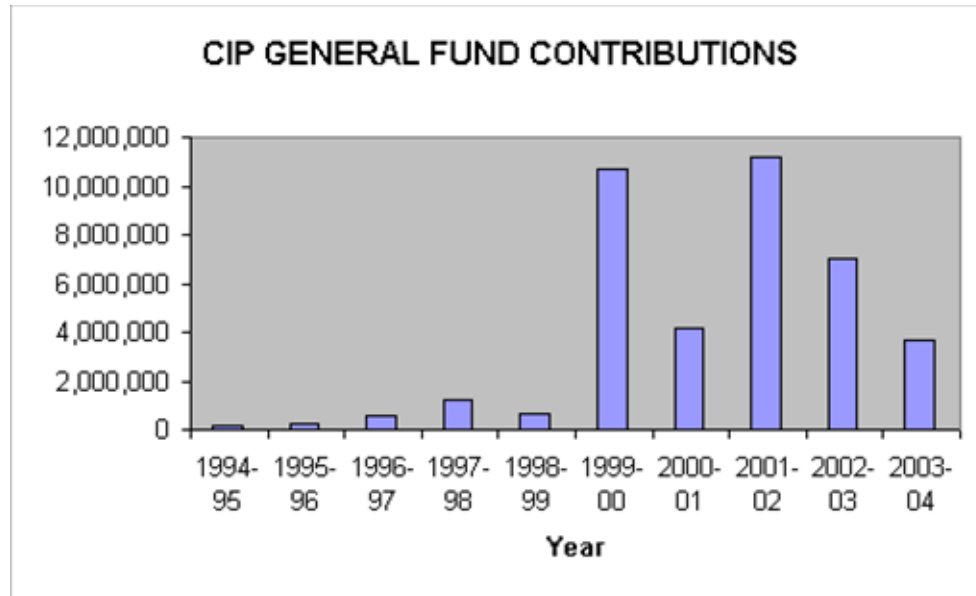
SUMMARY OF 2004-05 CIP CARRYOVER BALANCES					
CAPITAL PROJECT FUNDS:					
Architecture & Engineering (A&E)	# of Projects	General Fund Local Cost	Other Discretionary Funding	Non-Discretionary Funding	Projects Carryover Balance
2003-04 Carryover Projects (Fund CJV)	65	9,804,550	2,297,841	28,713,158	40,815,549
2003-04 Mid-Year Insert Carryover Projects (Fund CJV)	25	142,852	1,192,740	3,222,693	4,558,285
Total Carryover Projects (Fund CJV)	90	9,947,402	3,490,581	31,935,851	45,373,834
High Desert Juvenile Facility (Fund CJS)	1	4,160,000	0	0	4,160,000
Total Carryover Projects (Funds CJV & CJS)	91	14,107,402	3,490,581	31,935,851	49,533,834
ADDITIONAL CAPITAL PROJECTS INCLUDED IN OTHER COUNTY FUNDS:					
Airports Carryover Projects (Various Funds)	34	0	0	17,054,289	17,054,289
Airports - Apple Valley Airport Carryover Projects (CSA 60)	10	0	0	5,361,974	5,361,974
Regional Parks Carryover Projects (Various Funds)	11	0	0	4,450,000	4,450,000
Total Carryover Projects - A&E	146	14,107,402	3,490,581	58,802,114	76,400,097
Dept. of Public Works (DPW)					
Transportation Carryover Projects (Various Funds)	71	0	0	43,842,592	43,842,592
Solid Waste Management Carryover Projects (Various Funds)	67	0	0	20,098,691	20,098,691
Total Carryover Projects - DPW	138	0	0	63,941,283	63,941,283
TOTAL CARRYOVER PROJECTS	284	14,107,402	3,490,581	122,743,397	140,341,380



Potential Funding Sources for 2004-05

Table 3 shows CIP general fund contributions over the last ten years.

Table 3



The 2004-05 local cost base budget allocation for CIP is \$3.5 million. A&E anticipates the savings from completion of 35 general fund projects in 2003-04 to be \$399,538 (See Exhibit H – 2003-04 Completed Projects (Fund CJV)). Of this total, we propose to make \$257,200 of this savings available for 2004-05 CIP projects. The balance of \$142,338 will remain in the CIP budget and be available to address cost overruns in other projects, should any occur.

Table 4

POTENTIAL LOCAL COST FUNDING SOURCES FOR 2004-05 CIP	
Category	Funding Source Allocation
Base Budget Allocation for General Fund - Local Cost CIP	3,500,000
Anticipated Savings from Completed CIP Projects	257,200
Total Available for General Fund Local Cost Projects	3,757,200

In addition, departments have identified other funding sources for a number of projects separate from the general fund target provided in the financing plan (e.g. Airports, ECD, department budgets, etc.).

CAO Administrative Review

CIP projects were categorized based on funding source:

1. General Fund – Local Cost subject to the base budget allocation for general fund CIP target
2. Other Discretionary Funding – The underlying funding source is from a general fund department or the Board of Supervisors has discretion over the funding source even if there are restrictions on how the dollars are spent. This category includes realignment (e.g. Behavioral Health), Justice Facility

Reserve, Fines and Forfeitures, or special revenue funds and internal service funds such as Risk Management and Fleet Management.

3. Non-Discretionary Funding – Any funding source other than the general fund, special revenue, or internal service funds, and the Board has no discretion over the funding (e.g. Grants, Inmate Welfare Fund, ECD, ARMC, Courts and Library).

CIP projects were also categorized based on Project Type:

1. I/R EF – Improvement/Rehabilitation of Existing Facilities due to age or deferred maintenance, including:
 - a. Roofs
 - b. Heating, Ventilation, and Air Conditioning (HVAC)
 - c. Mechanical, Electrical and Plumbing (MEP)
 - d. Network/Data Systems and other technology
 - e. Elevators
 - f. Parking
 - g. Grounds
 - h. Seismic
2. I/R EI – Improvement/Rehabilitation of Existing Infrastructure – Roads, water systems, flood control and solid waste facilities, parks, and airports
3. PM – Preventative Maintenance (including the same list as in #1 above)
4. INFS – Installation of New Building/facility systems for MEP and HVAC systems
5. INDS – Installation of New Network/Data systems and other technology
6. R/A – Remodel/Alterations of existing space to improve efficiency and function
7. C/A – Construction and/or Acquisition – of land, buildings, building additions, and leases to meet space requirements.

The following process was utilized:

1. The CIP requests were reviewed and short-listed by CAO Administrative Analysts and Deputy Administrative Officers for each department/group.
2. A CIP Review Team, consisting of CAO, A&E and FM staff, evaluated the projects.
3. Legitimate projects with other funding sources were recommended for approval.
4. Roofing, paving and American's with Disability Act (ADA) CIP requests were combined into groups. Proposed annual funding levels were developed: Roofing - \$400,000, Paving - \$500,000 and ADA - \$150,000. Proposed funding levels for roofing and paving are intended to address deferred maintenance in these areas over a five-year period.
5. HVAC projects, representing large capital expenditures, are proposed to be evaluated separately and funded through county contingencies. A mid-year agenda item update will be provided to the Board on previously approved projects as cost estimates and funding shortfall is fully determined.
6. 35 projects, representing department priorities 1 through 5, competed for local cost dollars. They were ranked using explicit criteria developed by the CIP Review Team (see Exhibit I – Rating Sheet for Reviewing Local Cost Departmental CIP Requests). The total of general fund projects on the short-list was \$15.7 million (see Exhibit J – 2004-05 Short-List General Fund – Local Cost).
7. Facility assessments were performed to identify and prioritize specific roofing repair and pavement management projects. If changes in County occupancy occur (such as consolidation of services, or sale or transfer of a County building asset) changes in specific roofing and paving projects may be made to adjust to new priorities.

A complete list of all proposed new projects by department is included in Exhibit A – 2004-05 Recommended Capital Improvement Program New Projects by Department, and by location in Exhibit B – 2004-05 Recommended Capital Improvement Program New Projects by Location.

Five-Year Capital Improvement Program Project List

On November 7, 2003, as part of the County Administrative Office's goal to improve long-range capital planning, county departments were requested to submit five-year projections for space needs and capital improvement projects through 2008-09.

Departments were advised that their 2004-05 CIP requests (submitted on October 30, 2003) would be year 1 of the five-year plan. Departments were requested to include the following in their responses for years 2 through 5:

1. Minimum project description
2. Project Type:
 - a. Improvement or rehabilitation of existing infrastructure
 - b. Construction and/or acquisition
 - c. Installation of new building/facility systems
 - d. Installation of new network/data systems
 - e. Remodeling
 - f. Rehabilitation of existing facilities
 - g. Preventative maintenance
3. Justification based on:
 - a. Current or expected changes to program activities
 - b. Workload projections based on past or expected service levels
 - c. Legislative changes impacting local programs
 - d. Growth expectations based on historic trends
 - e. Staff increases to meet projected service levels
4. Estimated annual operation and maintenance costs, and increment this number represents over existing costs
5. Prioritization (if more than one project is requested annually)
6. Cost estimates (if available)
7. How the project will be financed
8. A statement as to whether the request is consistent with any customer feedback the department has received or if it improves customer service.

A significant amount of data has been gathered. The list represents a preliminary assessment of estimated project needs for the next five years. Internal Services Funds and Specific Revenue Funds (such as Transportation and Solid Waste) have the ability to strategically plan and set aside funding for long-term capital projects. Project requests from general fund departments, for which local cost CIP dollars are highly limited, represent a perceived need, however, at this time, no identified funding source would enable us to implement those projects. We are continuing to evaluate the information for general fund departments to develop the requests into a coherent plan.

Table 5 provides a summary of all five-year plan requests organized by year and project type. Amounts listed as funded refer to sources separate from local cost CIP dollars that departments referenced in their project request forms.

Table 5

SUMMARY OF FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM REQUESTS								
	Improve/ Rehab Existing Facilities I/R EF	Improve/ Rehab Existing Infrastructure I/R EI	Preventative Maintenance PM	Install New Bldg/Facility System INFS	Install New Data System INDS	Remodel/ Alteration R/A	Construct/ Acquire C/A	Total
Year 1 (2004-05)								
Unfunded	3,475,000	0	150,000	2,207,000	830,000	900,000	268,927,000	276,489,000
Funded (See Exhibit A)	12,724,120	30,737,434	25,000	0	0	1,247,346	5,113,400	49,847,300
Sub-Total Year 1	16,199,120	30,737,434	175,000	2,207,000	830,000	2,147,346	274,040,400	326,336,300
Year 2 (2005-06)								
Unfunded	13,366,800	5,550,000	0	886,000	206,000	2,305,000	15,461,000	37,774,800
Funded	85,000	26,165,700	50,000	0	0	930,000	11,867,000	39,097,700
Sub-Total Year 2	13,451,800	31,715,700	50,000	886,000	206,000	3,235,000	27,328,000	76,872,500
Year 3 (2006-07)								
Unfunded	22,000,000	5,862,500	10,000	0	0	330,000	2,660,000	30,862,500
Funded	40,000	27,088,900	50,000	0	0	0	35,800,000	62,978,900
Sub-Total Year 3	22,040,000	32,951,400	60,000	0	0	330,000	38,460,000	93,841,400
Year 4 (2007-08)								
Unfunded	12,965,000	5,000,000	0	14,255,000	0	70,563,000	12,581,000	115,364,000
Funded	80,000	28,092,400	50,000	35,142,400	0	0	206,652,000	270,016,800
Sub-Total Year 4	13,045,000	33,092,400	50,000	49,397,400	0	70,563,000	219,233,000	385,380,800
Year 5 (2008-09)								
Unfunded	21,090,000	0	0	945,000	0	3,601,100	38,017,000	63,653,100
Funded	0	18,978,000	50,000	0	0	60,000	540,000	19,628,000
Sub-Total Year 5	21,090,000	18,978,000	50,000	945,000	0	3,661,100	38,557,000	83,281,100
Five Years (2004-05 thru 2008-09)								
Unfunded	72,896,800	16,412,500	160,000	18,293,000	1,036,000	77,699,100	337,646,000	524,143,400
Funded	12,929,120	131,062,434	225,000	35,142,400	0	2,237,346	259,972,400	441,568,700
TOTAL FIVE YEARS	85,825,920	147,474,934	385,000	53,435,400	1,036,000	79,936,446	597,618,400	965,712,100

Details of all requests are provided in Exhibit K – Five-Year Capital Improvement Program Project List.

